



October 7, 2015

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

7500 Security Boulevard, Mail Stop S2-01-16

Baltimore, Maryland 21244-1850

To Whom It May Concern:

The purpose of this letter is to provide our organization's comments on the Washington State Medicaid Transformation Waiver Application that was recently submitted to CMS.

We are Cascade Park Communities, which consists of Cascade Park Vista, a 115 unit assisted living facility, Cascade Park Gardens, an 85 bed memory care facility, and Cascade Park Active Day, an Adult Day Health program with an average daily attendance of 70 clients. Collectively, ninety-five percent (95%) of our residents and adult day health participants are funded by Medicaid.

With respect to the waiver, our primary concern is the lack of clarity surrounding provider reimbursement rates. We feel that Washington State's current Medicaid reimbursement model fails to adequately reimburse providers, such as ourselves, for the vital services we provide. In 2011, Washington State elected to reduce the daily reimbursement rate for Medicaid clientele by 2%. This reduction stayed in effect until July 1, 2015, when the rate was increased by 2.5%, resulting in a net increase of a mere ½ % over 8 years. The impact of inflation, the Affordable Care Act, an impending increase to our local minimum wage, and other such requirements have put great pressure on our business model. The very survival of our business hinges upon the State's willingness to properly reimburse us for the care and services that we provide to our Medicaid clientele. We believe that their current rate structure is unsustainable for the long term, and may be made even worse under the Medicaid Transformation Waiver.

The proposed Waiver delineates the increase in current Medicaid programs and outlines additional programs for those not currently covered. If the current State reimbursement rates fail to allow community residential settings such as ours to viably serve a Medicaid clientele, who then will provide these needed services?



A secondary concern of this program surrounds the State's plan to increase the eligibility criteria for Nursing Home placement. This will likely serve to drive additional Medicaid clientele to Assisted Living Facilities, many of whom will have a higher acuity level than the norm. Will the reimbursement rate be increased to provide for the additional cost of caring for these displaced individuals? The current CARE program used by DSHS to determine our reimbursement does not adequately compensate us for services provided, such as for diabetic residents. Will this action result in inappropriate placements throughout Washington State's Home and Community Based Care settings? Will our current State licensing regulations even allow existing providers to care for such higher acuity individuals within an Assisted Living setting? These are all questions that didn't seem to be answered within the State's waiver submittal.

Finally, it is implied (or stated directly) that low acuity residents in Assisted Living Facilities will be discharged to a home setting, or encouraged to opt into the new Medicaid Alternative Care (MAC) program. This would serve to further increase the average acuity in our setting. It is my understanding that the cost of caring for a Medicaid client is higher when living at home than in a community based residential care setting once an individual's supportive services are considered, such as a paid care provider, home health, home doctor, transportation, and other such Medicaid eligible services. Given the cost effective nature of Assisted Living facilities and other such residential care settings, we want to ensure that they continue to remain a viable, fully funded service option within the State's Medicaid Transformation Waiver.

Thank you for your attention to this matter. Should you have any questions please do not hesitate to contact me at 253-473-2842.

Best regards,

Don Hansen,
Owner/Operator
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